

FEBRUARY 23, 2016
BOARD OF DIRECTORS

UP Express Update



Union Pearson Express

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UP EXPRESS UPDATE: EXECUTIVE SUMMARY

- Metrolinx had four key objectives with the launch of UP Express:
 1. Launch on time & on budget
 2. Operational excellence
 3. High customer satisfaction
 4. Daily ridership objective of 5,000 riders
- On June 6, 2015, UP Express launched on time and on-budget and after 8 months of service continues to achieve operational excellence with **on-time performance at 98%** and high levels of customer satisfaction with **87% of guests willing to recommend** the service.
- Although the daily ridership objective has not been achieved, we have learned a significant amount about this market and the barriers to using the service including:
 - Perceptions around Pricing
 - Difficulty navigating to UP Express
 - Low Awareness
 - Engrained ground transportation habits
- In order to overcome these barriers, management is recommending a series of initiatives to address ridership levels, including a new fare structure, supported by a robust and sustained marketing and awareness campaign, that will make UP Express an attractive travel option.
- The new fare structure will provide significant reductions in fares for travel to/from Pearson Airport, as well as savings for those travelling between Union Station, Bloor Station and Weston Station by aligning with GO Transit fares.

RECOMMENDATION

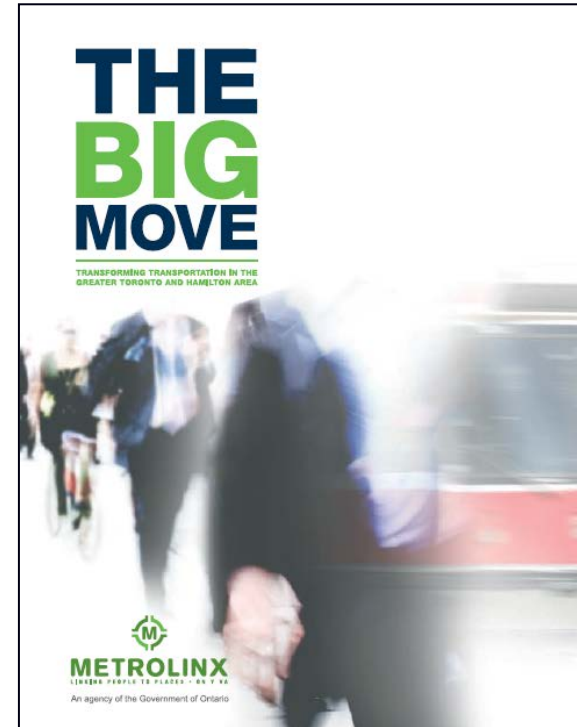
THAT the Board of Directors approve the revised fare structure for UP Express as described in the President, Union Pearson Express' February 23, 2016 report to the Board.

EXPRESS AIR RAIL LINK PART OF THE BIG MOVE

- The need for a rapid and reliable airport-to-downtown express rail service in Toronto was identified decades ago. Toronto was one of the few of the world's leading business and financial centres that did not have a dedicated airport express.
- In 2008, The Big Move Transportation Plan identified the need for:

*“High-order **transit connectivity** to the Pearson Airport district from all directions, including a multi purpose, fast transit link to downtown Toronto...”*

- In 2010, Metrolinx was mandated to design, build and launch the Union Pearson Express (UP Express) in time for the Toronto 2015 Pan Am and Parapan Games.
- Launched on June 6, 2015 - on time and on budget.



A POSITIVE GUEST EXPERIENCE

I want to see [UP Express] succeed in this city and I believe it can play a role in Toronto's future. The UP Express is an important precedent and its success is good for city planning, densification, reduced traffic, the environment..."

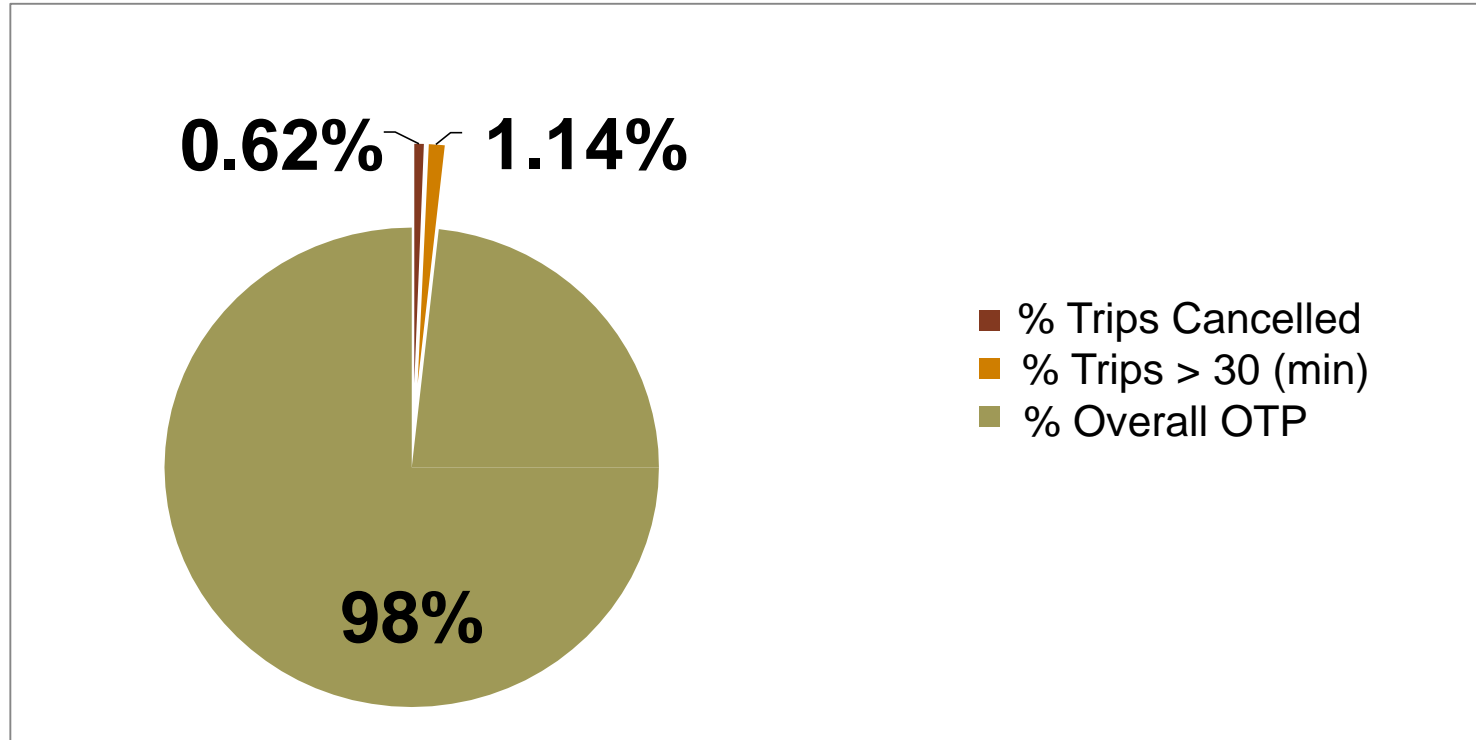
"I am very happy UP Express has started and it was long overdue"

"I heard of it but is it up and running? That's so great. This news made my day I'm actually going on a trip with my family so I'll be using this."

"Just a quick note to say, hats off to your Staff. This was the first time I used this service and I Loved It..... Keep up the good work!!!"



UP EXPRESS ON-TIME PERFORMANCE 98%*



*As of February 8, 2016.

RESEARCH: BARRIERS TO TRIAL

- Further research conducted post launch has identified four key barriers to trying UP Express

Perceptions about Price

Perception that UP is expensive without knowing exact price

Low Awareness

Not familiar with UP both locally and in other domestic jurisdictions

Navigating to UP Express

Risk of unknown total trip time, uncertainty about first/last mile, signage at stations

Engrained Ground Transportation Habits

Ground transportation choices are engrained & habitual

REVISED FARES FOR UP EXPRESS

- To address perceptions about price, the following price changes are being proposed:

FROM UNION TO TORONTO PEARSON:	
\$9.00 WITH A PRESTO CARD	\$12.00 WITHOUT A PRESTO CARD



STUDENTS & SENIORS
\$9.00/\$5.64

* 13-19 years of age or Post-Secondary Student with a valid GO Transit ID & 65+ years of age



CHILD
FREE

12 years of age and under



FAMILY
\$25.00

2 adults (18+ years of age) and up to 3 children (under 19)

* Prices highlighted for Student/Senior are PRESTO prices for 3-stop travel.

REDUCED FARES AND ALIGNMENT WITH GO FARES

- The revised fare structure lowers fares and is based on one-, two-, and three-stop travel
- Additional fare products (e.g.: Meeter & Greeter, Long Layover) have also had price adjustments

	3 STOPS UNION ↔ PEARSON		2 STOPS UNION ↔ WESTON BLOOR ↔ PEARSON		1 STOP UNION ↔ BLOOR BLOOR ↔ WESTON WESTON ↔ PEARSON	
	PRESTO	NON PRESTO	PRESTO	NON PRESTO	PRESTO	NON PRESTO
ADULT 20-64 YEARS OF AGE	\$9.00	\$12.00	\$5.02	\$5.65	\$4.71	\$5.30
STUDENT 13-19 YEARS OF AGE or POST-SECONDARY STUDENT WITH VALID GO TRANSIT ID	\$9.00	\$12.00	\$4.61	\$5.65	\$4.33	\$5.30
SENIOR 65+ YEARS OF AGE	\$5.64	\$6.00	\$2.68	\$2.85	\$2.51	\$2.65
CHILD 12 YEARS OF AGE AND UNDER	FREE	FREE	FREE	FREE	FREE	FREE
FAMILY 2 ADULTS AND UP TO 3 CHILDREN 19 YEARS OF AGE AND UNDER	-	\$25.00	-	\$12.00	-	\$11.00

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BENEFITS OF THE FARE STRUCTURE

- ✓ Increase ridership by attracting more customers to the UP Express experience;
- ✓ Simplify the fare structure by aligning to the number of stops a passenger travels;
- ✓ Promote PRESTO card usage;
- ✓ Address the perception that fares are too high; and
- ✓ Provide additional transportation options for communities served by UP Express.

TACTICS TO OVERCOME BARRIERS TO RIDERSHIP GROWTH

- In order to build awareness of the service, promote the new pricing structure, and influence travelers ground transportation decision-making, UP Express is proposing a series of additional initiatives to overcome barriers.
- Continued **targeted communications** to core areas within the catchment area to build awareness amongst target ridership groups and promote new pricing structure
- **Digital Online campaign** including social media, to build awareness and intercept the decision making habits of the 70% of travellers who make their ground transportation decision prior to departing
- **Leverage GO Transit Assets**, including in-station & in-train posters, various customer communication channels, to promote awareness and target commuter travellers in the catchment areas
- **Direct Outreach and Engagement with area hotels** within walking distance of Union Station in order to build awareness and incentivize people to try the service



FROM YOUR CONDO TO THE AIRPORT IN MINUTES

The holidays are a time for family, friends or even getaways for those that try to escape winter weather. And that means travel. Carry, unload, sometimes even take your child to school.

But it doesn't have to be that way.

If you're downtown, getting to the airport is easier and faster than ever. And, if you plan on heading north, you probably will be, with our express service for you.

UP Express speeds you by rail between downtown and Toronto Pearson in 25 minutes, with only one transfer to the bus, regardless of whether you're carrying on or checking in. No stress. No worry. Just a reliable, comfortable way to start your holiday journey.

After all, travellers are at the center of everything UP does. From Free Wi-Fi on board and our mobile app, to the 100+ shops where you can get everything you need for your trip, we offer the best technology and variety of choice to help travellers get the most out of their journey. And that means great service, too, with Baker's Coffee, Business, Global Gourmet Store and 100+ retail shops located at the CIBC UP Express lounge.

Enjoy a seat and a treat on us!

From now until January 31, 2016, UP is again offering a free one-way seat and a treat on us. One class of UP Express, your 1st class fare. Higher fares apply.

UP Express is available on all routes. For more details, visit upexpress.com or call 1-844-664-3360. See more details.

Enjoy a free UP Express ticket on us.

UP Union Pearson Express

Want the best fares? Use your PRESTO!

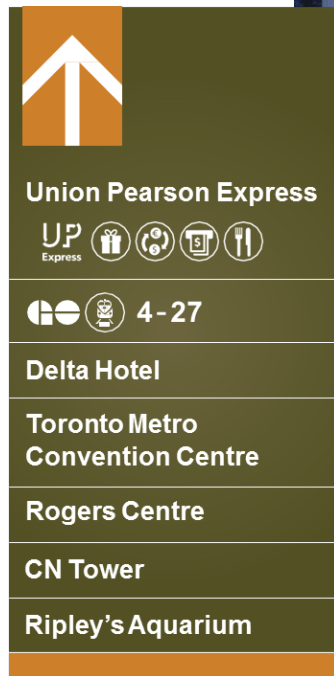
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A Vision for the Region

UP Express is a key component of the Greater Toronto Area's (GTA) transportation infrastructure. It provides a fast, reliable, and comfortable way to travel between downtown Toronto and Toronto Pearson International Airport. UP Express is a key component of the GTA's transportation infrastructure. It provides a fast, reliable, and comfortable way to travel between downtown Toronto and Toronto Pearson International Airport.

TACTICS TO OVERCOME BARRIERS TO RIDERSHIP GROWTH

- More **targeted advertising at Toronto Pearson** Airport in high volume passenger corridors in order to build awareness, promote new pricing structure and interrupt engrained ground transportation habits
- **Service and Sales kiosks** at key locations in Toronto Pearson, in order to build awareness, sell tickets directly to arriving passengers, and support navigating to the station at Terminal 1
- Pilot an **Airport Engagement Program** at key domestic airports (e.g: Montreal) with high volume in-bound Toronto flights. This will build awareness and support advance ticket sales before passengers arrive in Toronto
- **In flight ticket sales** on high-volume in-bound flights in order to build awareness of the new pricing structure, promote the service and make UP Express a viable ground transportation choice.
- Work with our partners to **improve signage & wayfinding** at Toronto Pearson and within the Skywalk



**Examples of exterior and interior signage*

**Pictures are for illustrative purposes only. Subject to approvals*

CONCLUSION

- UP Express was built on time and on budget, and is delivering a high level of service that customers appreciate.
- The proposed changes in the fare structure will benefit both air travellers and local communities who are served by UP Express.
- Reduced fares for travel between Pearson Station and Union Station and alignment with GO Transit fares for travel between Union Station, Bloor and Weston stations will drive ridership and make UP Express an attractive travel option to commuters.
- Additional marketing and awareness tactics will support overcoming the barriers to trial including low awareness, navigating to UP Express and engrained ground transportation habits.
- Metrolinx is closely evaluating the impacts of the new fare structure and will report back to the Board with updates.

THANK YOU



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